

FY2011 First-half Financial Results (Japanese GAAP) (Consolidated)

November 1, 2010

FUJIMI INCORPORATED

Stock exchanges on which the shares are listed: Tokyo, Nagoya

Code: #5384

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Scheduled date for the submission of quarterly securities report: November 9, 2010

Scheduled date for the commencement of dividend payments: December 6, 2010

Supplementary materials explaining quarterly financial results: None

Possibility of meeting to explain quarterly financial results: Yes (for analysts)

1. Financial Results for First-half FY2011 (April 1, 2010 – September 30, 2010)

(1) Consolidated Financial Results (Fractions are rounded down to millions of yen.)
(% indicates the increase/decrease compared to the same half of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First-half FY2011	16,137	26.7	1,691	—	1,729	860.7	1,134	—
First-half FY2010	12,741	(39.7)	55	(97.7)	179	(92.6)	95	(94.2)

	Net income per share	Net income per share (diluted)
	Yen	Yen
First-half FY2011	39.48	—
First-half FY2010	3.27	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First-half FY2011	48,121	41,895	86.5	1,448.55
FY2010	47,462	41,426	86.7	1,432.59

(Reference) Shareholders' equity: (First-half FY2011) 41,630 million yen (FY2010) 41,171 million yen

2. Dividends

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Yearly
	Yen	Yen	Yen	Yen	Yen
FY2010	—	15.00	—	15.00	30.00
FY2011	—	15.00			
FY2011 (Forecast)			—	15.00	30.00

Note: The possibility of revising the dividend forecast for the first half: None

3. Consolidated Financial Forecast for FY2011 (April 1, 2010 – March 31, 2011)

(% indicates the increase/decrease compared to the previous term.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year	32,300	14.6	3,100	107.2	3,150	85.4	2,050	76.4	71.33

Note: The possibility of revising the Consolidated Financial Forecast for the first half: Yes

4. Others

(1) Changes in significant subsidiaries during FY2011 First Half: None

Note: This item indicates the changes in specific subsidiaries during this period resulting from changes in the scope of consolidation.

(2) Simplified or special accounting methods applied: Yes

Note: This item indicates the simplified or special accounting procedures applied during preparation of the quarterly consolidated financial statements.

(3) Changes in accounting standards or processes, and notation methods for accounting procedures

① Changes due to accounting standard revisions: Yes

② Changes other than ①: None

Note: This item indicates the changes in accounting standards or processes, and notation methods for accounting procedures during preparation of the quarterly consolidated financial statements.

(4) Number of shares issued (common stock)

① Number of shares issued at the end of the term (including treasury stock)

First half of FY2011: 30,699,500

FY2010: 30,699,500

② Number of treasury stock held at the end of the term

First half of FY2011: 1,960,082

FY2010: 1,960,008

③ Average number of shares during the term (cumulative)

First half of FY2011: 28,739,460

First half of FY2010: 29,177,343

* Qualitative Information Regarding the Consolidated Financial Forecast

Owing to continuing recovery of demand for semiconductors during the first half of FY2011, sales of our products remained strong, and both sales and profits exceeded the previous consolidated financial forecast revisions. However, circumstances surrounding the future of the global economy do not allow the prediction of a positive outlook. There are still many causes for concern, notably China's resource export controls, and the economic stagnation and continuing weakness of currencies centering on the U.S.A. and European countries. As a group, we will maintain the ongoing objectives of strengthening the group's financial standing and reducing costs, and aim to increase profitability for the fiscal year.

Based on these circumstances, the financial forecast for FY2011, announced on August 2 in the FY2011 First Quarter Financial Results, has been revised as follows.

Revisions to the FY2011 Consolidated Financial Forecast

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	31,800	2,750	2,750	1,750
Revised forecast (B)	32,300	3,100	3,150	2,050
Change in amount (B - A)	500	350	400	300
Change (%)	1.6	12.7	14.5	17.1
FY2010 results	28,177	1,496	1,699	1,161

First-half Consolidated Financial Statement
(1) First-half Consolidated Balance Sheet

(Millions of yen)

	First-half FY2011 (as of September 30, 2010)	FY2010 (as of March 31, 2010)
ASSETS		
Current assets		
Cash and cash equivalents	15,321	13,835
Notes and accounts receivable	8,041	8,027
Marketable securities	2,303	2,303
Merchandise and finished goods	2,759	2,573
Products in process	1,045	1,094
Raw materials and inventory	1,130	1,008
Other	792	884
Allowance for doubtful accounts	(123)	(110)
Total current assets	31,270	29,617
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	7,283	7,568
Other (net)	7,108	7,670
Total tangible fixed assets	14,392	15,239
Intangible fixed assets	320	331
Investments and other assets		
Investment in securities	107	253
Other	2,043	2,036
Allowance for doubtful accounts	(13)	(16)
Total investments and other assets	2,137	2,273
Total fixed assets	16,850	17,844
Total assets	48,121	47,462

(1) First-half Consolidated Balance Sheet (cont.)

(Millions of yen)

	First-half FY2011 (as of September 30, 2010)	FY2010 (as of March 31, 2010)
LIABILITIES		
Current liabilities		
Notes and accounts payable	3,672	3,335
Short-term loans payable	88	184
Corporate tax payable	417	476
Allowance for bonuses payable	530	456
Allowance for directors' bonuses payable	10	—
Other	1,252	1,310
Total current liabilities	5,970	5,763
Fixed liabilities		
Long-term borrowing	110	161
Allowance for employees' retirement benefits	109	98
Other	35	11
Total fixed liabilities	254	271
Total liabilities	6,225	6,035
NET ASSETS		
Shareholders' equity		
Paid-in capital	4,753	4,753
Capital surplus	5,069	5,069
Retained earnings	35,815	35,111
Treasury stock	(2,764)	(2,764)
Total shareholders' equity	42,873	42,170
Gain/Loss on valuation and transactions		
Gain/Loss on valuation of other marketable securities	21	79
Foreign exchange transaction adjustment	(1,264)	(1,078)
Total gain/loss on valuation and transactions	(1,243)	(998)
Stock acquisition rights	61	63
Minority shareholders' interest	203	191
Total net assets	41,895	41,426
Total liabilities and net assets	48,121	47,462

(2) First-half Consolidated Statement of Income

(Millions of yen)

	First-half FY2010 (April 1, 2009 - September 30, 2009)	First-half FY2011 (April 1, 2010 - September 30, 2010)
Net sales	12,741	16,137
Cost of sales	9,703	11,085
Gross profit on sales	3,038	5,052
Selling and general administrative expenses	2,983	3,360
Operating income	55	1,691
Non-operating income		
Interest received	22	29
Dividends received	1	—
Income from waste disposal	—	19
Foreign exchange gain	15	—
Income from subsidies	47	—
Interest on tax refunded	21	—
Other	29	16
Total non-operating income	139	65
Non-operating expenses		
Interest paid	10	7
Foreign exchange loss	—	10
Depreciation expense	—	7
Other	4	3
Total non-operating expenses	14	28
Ordinary income	179	1,729
Extraordinary profit		
Profit from adjustments to previous term	34	—
Profit from sales of fixed assets	1	2
Profit from sales of investment securities	—	38
Other	—	12
Total extraordinary profit	35	53
Extraordinary loss		
Loss from adjustments to previous term	2	—
Loss from disposal of fixed assets	22	2
Loss from sales of investment securities	—	9
Effect of applying standards of accounting for asset retirement obligations	—	9
Total extraordinary loss	24	22
Net income before taxes	191	1,760
Corporate tax, inhabitant tax, and business tax	111	455
Corporate tax refunded	(51)	—
Corporate tax adjustment	28	160
Total corporate tax, etc.	88	615
Net income before minority shareholders' profit/loss	—	1,145
Minority shareholders' interest	7	10
Net income	95	1,134

(3) First-half Consolidated Cashflow Statement

(Millions of yen)

	First-half FY2010 (April 1, 2009 - September 30, 2009)	First-half FY2011 (April 1, 2010 - September 30, 2010)
Cashflow from operating activities		
Net income before taxes	191	1,760
Depreciation expense	1,231	962
Amortization for long-term prepaid expense	6	6
Stock compensation expense	16	—
Profit/Loss from adjustments to previous term	(34)	(10)
Effect of applying standards of accounting for asset retirement obligations	—	9
Increase/Decrease in allowance for doubtful accounts	39	9
Increase/Decrease in allowance for employees' retirement benefits	8	10
Increase/Decrease in allowance for directors' bonus payable	—	10
Increase/Decrease in allowance for bonuses payable	25	73
Interest and dividends received	(24)	(31)
Interest paid	10	7
Foreign exchange gain/loss	8	25
Profit/Loss from sales of investment securities	—	(28)
Loss from disposal of fixed assets	22	—
Increase/Decrease in receivables	(1,406)	(62)
Increase/Decrease in payables	(263)	397
Increase/Decrease in inventories	2,581	(327)
Increase/Decrease in accrued amount payable	(49)	74
Other	(16)	(146)
Subtotal	2,348	2,740
Income from interests and dividends	35	38
Income from subsidies	36	—
Interest paid	(10)	(8)
Income from business closure	20	—
Corporate tax, etc. paid	(65)	(500)
Corporate tax refunded	763	9
Cashflow from operating activities	3,128	2,278
Cashflow from investing activities		
Income from payments of time deposits	150	1,000
Payment for time deposits	—	(501)
Payment for acquisition of tangible fixed assets	(182)	(205)
Income from sales of investment securities	—	108
Payment of loans	(4)	—
Income from loan collection	2	—
Payment for acquisition of intangible fixed assets	(30)	(42)
Other	(6)	(4)
Cashflow from investing activities	(71)	354
Cashflow from financing activities		
Net increase/decrease in short-term borrowing	209	(91)
Expense for reimbursement of long-term borrowing	(47)	(45)
Income from use of stock options	15	—
Payment of dividends	(291)	(431)
Other	(2)	(3)
Cashflow from financing activities	(117)	(571)
Profit/Loss on cash/cash-equivalent transactions	72	(78)
Increase/Decrease in cash/cash-equivalent transactions	3,011	1,983
Balance of cash/cash-equivalent transactions at beginning of term	10,899	14,639
Balance of cash/cash-equivalent transactions at end of term	13,910	16,623